# Message Text

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TO ALL DIPLOMATIC AND CONSULAR POSTS

CINCPAC HONOLULU HAWAII 0000

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USDOCOSOUTH NAPLES

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INFORM CONSULS FOR POLADS

E.O. 11652: N/A

TAGS: ACMM

SUBJECT: WEEKLY LEGISLATIVE REPORT, JULY 10-14, 1978

1.SECURITY ASSISTANCE AUTHORIZATION

IN THE SENATE, MAJORITY LEADER BYRD IS NOW TRYING TO SCHEDULE THE BILL FOR NEXT WEEK -- EARLER THAN EXPECTED. THIS VIRTUALLY GUARANTEES THREE MAJOR FOREIGN POLICY FIGHTS, OUTLINED BELOW.
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SPARKMAN APPARENTLY INTENDS TO FLOOR MANAGE THE BILL OVERALL, PRESUMABLY WITH CHURCH'S SUPPORT. WE ARE ORGANIZING SEPARATE CAMPAIGNS FOR EACH OF THE CRITICAL ISSUES. UNFORTUNATELY THE CONSTITUENCY FOR LIFTING THE TURKISH EMBARGO INCLUDES MANY MEMBERS WHO WILL TEND TO SUPPORT HELMS ON RHODESIA.

RHODESIA: HELMS AMENDMENT

SENATOR HELMS' AMENDMENT WOULD SUSPEND U.S. COMPLIANCE WITH

UN SANCTIONS AGAINST RHODESIA FOR UP TO FIFTEEN MONTHS AS A DEMONSTRATION OF SUPPORT FOR THE INTERNAL SETTLEMENT. THE SAME AMENDMENT TO THE STATE AUTHORIZATION LOST BY ONLY

48 TO 42 IN LATE JUN-, BUT RECENT EVENTS, INCLUDING THE PUBLICITY GIVEN TO THE MASSACRES IN RHODESIA AND A WASHINGTON POST EDITORIAL HAVE IMPROVED ITS PROSPECTS FOR PASSAGE.

HELMS HIMSELF CLAIMS THE SUPPORT OF 51 SENATORS, INCLUDING BAKER AND MAJORITY LEADER BYRD. HE HAS A LETTER FROM THE BLACK LEADERSHIP OF THE INTERNAL SETTLEMENT, SENT TO EVERY MEMBER OF THE SENATE, URGING THAT THE EMBARGO BE LIFTED AND CLAIMS TO HAVE TALKED WITH BOTH SMITH AND MUZOREWA RECENTLY. HE HAS INDICATED A READINESS TO COMPROMISE ON A SIX-MONTH RATHER THAN FIFTEEN-MONTH SUSPENSION OF SANCTIONS AND HAS THREATENED TO FILIBUSTER THE SECURITY ASSISTANCE BILL IF HE IS THWARTED.

WE ARE WORKING HARD WITH OPPONENTS OF THE AMENDMENT AND PRIVATE ORGANIZATIONS TO DEFEAT HELMS AND THIS WEEK'S BREAKTHROUGH ON NAMIBIA SHOULD HELP.
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### KOREA

WE NOW ANTICIPATE AT LEAST ONE AND POSSIBLY TWO AMENDMENTS OPPOSING THE ADMINISTRATION'S POLICIES ON WITHDRAWING TROOPS FROM KOREA. SENATOR PERCY HAS AN AMENDMENT STATING THE SENSE OF CONGRESS THAT THE ADMINISTRATION'S PROPOSED WITHDRAWAL PLANS ARE CONTRARY TO THE NATIONAL SECURITY INTERESTS OF THE UNITED STATES AND TO THE INTERESTS OF PEACE IN ASIA. WE ALSO UNDERSTAND THAT SENATOR DOLE IS CONSIDERING OFFERING AN AMENDMENT WHICH WOULD FLATLY OPPOSE ANY FURTHER WITHDRAWAL OF TROOPS FROM KOREA.

CURRENT INDICATIONS ARE THAT THE PERCY AMENDMENT IS MUCH MORE LIKELY TO ATTRACT SUPPORT THAN ANY DOLE AMENDMENT. A NUMBER OF SENATORS MAY BE PARTICULARLY ATTRACTED BY PERCY'S LANGUAGE SINCE IT WOULDPERMIT THEM TO VOTE FOR THE \$800 MILLION KOREAN ARMS TRANSFER PACKAGE, WHILE AT THE SAME TIME SIGNALING THEIR CONCERNS ABOUT TROOP WITHDRAWALS.

WE HAVE BEGUN DISCUSSIONS WITH KEY CONGRESSIONAL LEADERS TO SEE IF WE COULD DEVELOP A SUBSTITUTE AMENDMENT THAT WILL BE ACCEPTABLE PARTICULARLY TO SENATORS LIKE GLENN AND NUNN WHO HAVE EXPRESSED DOUBTS ABOUT OUR KOREAN POLICY BUT WOULD LIKE TO SUPPORT THE ADMINISTRATION TO THE EXTENT THAT THEIR CONSCIENCE WILL PERMIT THEM. WE ARE ALSO WORKING ON NEW LANGUAGE TO BE INCORPORATED POSSIBLY IN A LETTER TO THE PRESIDENT TO SENATOR BYRD TO REASSURE OUR POTENTIAL ALLIES

THAT THE ADMINISTRATION PLANS TO PROCEED CAUTIOUSLY, ASSESSING THE SECURITY IMPLICATIONS OF OUR WITHDRAWAL AT EACH STAGE.

#### TURKISH EMBARGO

OUR SUPPORT IN THE HOUSE AND SENATE FELL ONLY MARGINALLY DURING THE CONGRESSIONAL RECESS IN EARLY JULY. OUR LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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OPPONENTS HAVE CIRCULATED SOME FORCEFUL ANTI-TURKISH TRACTS TO ALL HOUSE AND SENATE MEMBERS AND HOUSE REPUBLICANS ARE GRUMBLING MORE OPENLY ABOUT THE PRESUMED LACK OF DEMOCRATIC LEADERSHIP AND ORGANIZATION ON THIS ISSUE. NONETHELESS, OUR MOST RECENT CANVASSES SHOW US CLINGING TO A THIN MAJORITY IN BOTH HOUSES, IN LARGE PART BECAUSE OF OUR INTENSIVE BRIEFING ACTIVITIES WHICH WE PLAN TO MAINTAIN AT ABOUT CURRENT LEVELS UNTIL THE ACTUAL FLOOR VOTE IN THE HOUSE AND SENATE.

IN THE SENATE, BYRD WILL SUPPORT THE ADMINISTRATION POSITION ADAMANTLY, PARTLY AS A RESULT OF HIS RECENT NATO TRIP. SENATORS ARE GENERALLY RELUCTANT, HOWEVER, TO TAKE THE LEAD IN OPPOSING SARBANES.

## 2. CSCE COMMISSION HEARINGS ON THE SOVIET DISSIDENT TRIALS

BILL LUERS (EUR), SENATOR PACKWOOD, SEVERAL CONGRESSMEN (JEFFORDS, LEHMAN, GILMAN, WAXMAN) AND PRIVATE WITNESSES, INCLUDING MRS. SOLZHENITSYN, GAVE TESTIMONY TUESDAY BEFORE THE CSCE COMMISSION ON SOVIET TREATMENT OF THE HELSINKI MONITORING GROUP. THE FOCUS OF THE HEARING WAS ON HOW THE U.S. SHOULD RESPOND TO SOVIET DISREGARD OF THEIR COMMITMENTS UNDER THE HELSINKI FINAL ACT AS THEY PROCEED WITH TRIALS OF HUMAN RIGHTS ACTIVISTS. THE MOOD OF THE COMMISSIONERS WAS ONE OF FRUSTRATION WITH THE CURRENT SITUATION, RATHER THAN CRITICISM OF THE ADMINISTRATION. MOST MEMBERS OF THE COMMISSION IN ATTENDANCE (PELL, BINGHAM, FENWICK, SIMON, BUCHANAN) VIGOROUSLY OPPOSED LINKING PROGRESS ON SALT TO THE TRIALS. SENATOR PELL, IN PARTICULAR, PRAISED THE ADMINISTRATION FOR GOING AHEAD WITH THE GENEVA TALKS THIS WEEK. THE EXCEPTIONS WERE:

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--SENATOR DOLE WHO ISSUED A PRESS STATEMENT CALLING FOR SUSPENSION OF THE SALT TALKS PENDING SOVIET COMPLIANCE WITH THE FINAL ACT (DOLE HAD INTRODUCED ON JULY 10 A RESOLUTION

TO THIS EFFECT AS WELL AS CALLING FOR SUSPENSION OF EXCHANGES AND RE-EVALUATION OF U.S. PARTICIPATION IN THE FINAL ACT. THE RESOLUTION WAS REFERRED TO THE SFRC); AND

--CONGRESSMAN JEFFORDS WHO ANNOUNCED HIS INTENTION TO INTRODUCE A RESOLUTION CALLING ON THE PRESIDENT TO INFORM THE SOVIETS THAT VIOLATIONS OF THE FINAL ACT WOULD INFLUENCE THE CONTENT AND EXTENT OF STRATEGIC AND ECONOMIC AGREEMENTS BETWEEN THE U.S. AND THE USSR.

OTHERS CALLED FOR A DECLARATION, IN CONCERT WITH OUR ALLIES, OF THE HELSINKI ACCORDS AS NULL AND VOID (DOLE AND PACKWOOD) OR THE SUSPENSION OF EXCHANGES (DOLE).

MRS. SOLZHENITSYN'S TESTIMONY WAS PARTICULARLY MOVING AS SHE DESCRIBED THE ORDEAL OF OFFICIAL REPRESSION FACED BY SOVIET ACTIVISTS SUCH AS ALEHSANDER GINZBURG. SHE REFRAINED, HOWEVER, FROM SUGGESTING ANY SPECIFIC COURSE OF U.S. ACTION.

LUERS' TESTIMONY EMPHASIZED THAT BECAUSE OF THE IMPORTANCE OF SALT TO U.S. AND WORLD INTERESTS, PROGRESS COULD NOT BE LINKED TO OTHER ISSUES; THAT A SALT AGREEMENT WOULD NOT BE BASED ON TRUST OF THE SOVIET UNION, BUT ON OUR ASSESSMENT OF U.S. AND SOVIET NATIONAL INTERESTS AND THE AGREEMENT'S VERIFIABILITY; AND THAT NULLIFICATION OF THE HELSINKI ACCORDS IN RESPONSE TO SOVIET ACTIONS WOULD NOT BE WISE. HE DECLINED TO DESCRIBE POSSIBLE FURTHER ACTIONS WHICH THE U.S. MIGHT TAKE, BUT NOTED THAT THE ENTIRE RANGE OF USSOVIET RELATIONSHIPS (EXCLUDING SALT) WAS OPEN FOR REVIEW.

3. THE JUDICIARY COMMITTEE REPORTED OUT THE DIPLOMATIC IMMUNITIES AND PRIVILEGES BILL WHICH HAD ALREADY BEEN LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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CONSIDERED BY THE SFRC.

### 4 TEXTILE HEARINGS

THE HOUSE SUBCOMMITTEE ON TRADE HEARD TESTIMONY MONDAY ON H.R. 10853 (HOLLAND-BROYHILL BILL), WHICH WOULD EXEMPT TEXTILE AND APPAREL ITEMS FROM TARIFF REDUCTIONS SUCH AS THOSE CURRENTLY BEING NEGOTIATED IN GENEVA. CHIEF TEXTILE NEGOTIATOR MICHAEL SMITH DEFENDED THE ADMINISTRATION'S OPPOSITION TO THE BILL, BUT REP. BROYHILL (R-N.C.), SUPPORTED BY SEVERAL TEXTILES MANUFACTURERS, PREDICTED INCREASED UNEMPLOYMENT AND SEVERE ECONOMIC REPERCUSSIONS WITHIN THE INDUSTRY IF TARIFFS WERE LOWERED. QUESTIONS FROM THE COMMITTEE SEEMED TO INDICATE THAT DOMESTIC ECONOMIC CONCERNS WOULD OUTWEIGH THE FOREIGN TRADE ISSUE, AND THAT THE BILL WOULD BE REPORTED OUT FAVORABLY.

5. UNDER SECRETARY FOR ECONOMIC AFFAIRS COOPER TESTIFIED WEDNESDAY BEFORE THE JOINT ECONOMIC COMMITTEE ON U.S. OBJECTIVES AT THE BONN ECONOMIC SUMMIT. HE DESCRIBED THE CURRENT INTERNATIONAL ECONOMIC SITUATION, U.S. DOMESTIC ECONOMIC OBJECTIVES, AND THE RELATIONSHIP OF THESE GOALS TO THE PRESIDENT'S APPROACH TO THE SUMMIT MEETING, IN-CLUDING A DISCUSSION OF THE "CONCERTED ACTION" CONCEPT. HE WAS OUESTIONED BY THE COMMITTEE ON U.S. INFLATION AND ENERGY POLICY, ON THE VALUE OF SUMMITS, AND ON PROPOSALS BY SENATOR JAVITS FOR A LARGE POOL OF RESOURCES FOR TRANSFERS TO LDC'S. SENATOR JAVITS SUGGESTED THAT THE DOLE AMENDMENT DOES NOT FORECLOSE EITHER: (A) QUANTITA-TIVE RESTRICTIONS ON OIL IMPORTS; OR (B) A FEE THAT WOULD BE IMPOSED AS PART OF A PACKAGE OF ECONOMIC POLICY COMMITMENTS IN WHICH THE UNITED STATES WOULD BOTH GIVE AND RECEIVE

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- 6. GEORGE VEST (EUR), ACCOMPANIED BY REPRESENTATIVES OF COMMERCE, TREASURY, AND STR, BUSINESS AND PRIVATE CITIZENS CONCERNED WITH HUMAN RIGHTS, TESTIFIED TODAY ON EXTENSION OF THE PRESIDENT'S WAIVER AUTHORITY UNDER SECTION 402 OF THE TRADE ACT FOR HUNGARY AND ROMANIA BEFORE THE SENATE SUBCOMMITTEE ON INTERNATIONAL TRADE. THE HEARINGS FOCUSED ALMOST EXCLUSIVELY ON ROMANIA AND, EXCEPT FOR HUMAN RIGHTS CONCERNS, WERE SUPPORTIVE OF THE ADMINISTRATION. ON EMIGRATION, THE MAIN PROBLEM AREAS WHICH EMERGED WERE ROMANIA'S RESTRICTIVE EMIGRATION PROCEDURES AND IMMIGRATION TO ISRAEL. HUMAN RIGHTS TESTIMONY CENTERED INSTEAD ON ROMANIAN TREATMENT OF ITS HUNGARIAN MINORITY AND THE INCONSISTENCY OF ROMANIAN BEHAVIOR WITH THE PROVISIONS OF THE HELSINKI FINAL ACT.
- 7. THE HIRC SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST BEGAN A SERIES OF HEARINGS ON "WESTERN EUROPE: 1978" WITH TESTIMONY BY HELMUT SONNENFELDT (SAIS) AND JOSEPH LAPALOMBARA (YALE). THE HEARINGS, WHICH WILL BE HELD PERIODICALLY OVER THE NEXT FEW WEEKS, WILL EXAMINE POLITICAL DEVELOPMENTS AND THE STATE OF US-EUROPEAN RELATIONS. A SIMILAR SERIES ON EASTERN EUROPE AND THE SOVIET UNION WILL BEGIN IN AUGUST.

## 8. MIDDLE EAST: LONDON TALKS

ASSISTANT SECRETARY SAUNDERS PROVIDED BRIEFINGS ON THE LONDON TALKS TO CONGRESSMAN HAMILTON'S SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST AND SENATOR STONE'S SUBCOMMITTEE ON THE MIDDLE EAST JULY 11 AND 12. BOTH SUBCOMMITTEES APPRECIATED THE CONSULTATIONS, ARE OVERWHELMINGLY SUPPORTIVE OF THE CONTINUATION OF THE ADMINISTRATION'S

FORTS IN THE PEACE PROCESS AND WERE UNDERSTANDING OF THE LIMITED OBJECTIVES OF THE LONDON TALKS.
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WE CAN, HOWEVER, EXPECT CONTINUING CLOSE SCRUTINY FROM ROSENTHAL, STONE AND OTHERS WHO DO NOT WANT THE U.S. TO MOVE TOWARD IMPOSING TERMS ON ISRAEL AND WHO TEND TO FAVOR A SEPARATE PEACE BETWEEN ISRAEL AND EGYPT WITHOUT AGREEMENT ON A DECLARATION OF PRINCIPLES.

#### 9. FOREIGN ASSISTANCE APPROPRIATIONS

THE JULY 4 CONGRESSIONAL RECESS DID LITTLE TO IMPROVE PROSPECTS FOR PASSAGE OF THE FOREIGN ASSISTANCE APPROPRIATIONS IN THE HOUSE WITHOUT SUBSTANTIAL FURTHER CUTS. THE LEADERSHIP HAS NOW POSTPONED CONSIDERATION OF THE BILL UNTIL THE END OF JULY AND WE DO NOT EXPECT SENATE MARK-UP UNTIL AFTER THE HOUSE ACTS.

#### 10. NOMINATIONS

THE SENATE FRIDAY CONFIRMED THE FOLLOWING NOMINEES:
MS. JOSEPH, AMBASSADOR-DESIGNATE TO THE NETHERLANDS;
MR. GONZALES, AMBASSADOR-DESIGNATE TO ECUADOR;
MR. VAKY, ASSISTANT SECRETARY FOR LATIN AMERICAN AFFAIRS;
MR. BOYATT, AMBASSADOR-DESIGNATE TO UPPER VOLTA. THEY
ALSO CONFIRMED THE MISCELLANEOUS FSO/FSIO LIST.

11. THE HOUSE TRADE SUBCOMMITTEE HELD HEARINGS FRIDAY ON COMMERCIAL AIRCRAFT FINANCING AND THE SALES OF AIRBUS A-300S TO EASTERN AIRLINES AND LOCKHEED L-1011S TO PAN AMERICAN. THE PRIMARY ISSUE WAS WHETHER TERMS OF EXPORT CREDITS OR GOVERNMENT SUPPORT OF AIRBUS INDUSTRIES WERE SUCH AS TO JUSTIFY COUNTERVAILING DUTIES OR OTHER ACTION BY THE US.

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APPEARING AS A WITNESS, CONGRESSMAN HANNAFORD ASSAILED THE STATE DEPARTMENT AS THE MOST SERIOUS IMPEDIMENT TO U.S. GENERAL AVIATION EXPORTS. CONGRESSMAN LEACH URGED ENACTMENT OF HIS AMENDMENT TO THE EXIMBANK LEGISLATION, WHICH REQUIRES MINISTERIAL LEVEL NEGOTIATIONS TO END PREDATORY EXPORT FINANCING AND OTHER EXPORT SUBSIDIES. SUMMING UP, CONGRESSMAN VANIK SAID THE PURPOSE OF THE HEARINGS WAS TO SEND A MESSAGE TO THE ADMINISTRATION AND TO OUR TRADING PARTNERS THAT WE NEED CLEAR RULES ON INTER-

NATIONAL TRADE AND THAT THEY MUST BE OBEYED AND IF THE ADMINISTRATION IS UNABLE TO ADMINISTER THE PRESENT LAWS, CONGRESS WILL ENACT NEW ONES. CHRISTOPHER

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